

BELMONT WARRANT COMMITTEE FY08 MEETING MINUTES
FINAL

JANUARY 9, 2008, 7:30 P.M.

CHENERY MIDDLE SCHOOL COMMUNITY ROOM

Present: Chair Curtis; Members Allison, Brusch, Callanan, Epstein, Heigham, Jones, Lynch, McLaughlin, White, and Widmer; Town Administrator Younger, Assistant Town Administrator Conti, Town Treasurer Carman; BOS Member Solomon, School Committee Member Gibson, Town Accountant Hagg Absent: Members Hofmann, Oates, and Paolillo; BOS Chair Firenze; School Committee Chair Bowe

The meeting was called to order at 7:31 pm by Chair Curtis.

Use of Proceeds from Sale of Fire Station Chair Curtis began the meeting by turning the WC's attention to the first agenda item: Use of Proceeds from Sale of Fire Station. He also stated that the BOS has requested to know where the WC stands on this issue.

Chair Curtis framed the discussion by reminding the WC that it had put questions pertaining to the fire station funds to Town Counsel via Town Administrator Younger. In an email dated 12/2/07, Town Counsel said that proceeds may be used for the fire station for debt service, but not the principal, and that those funds may be transferred to a capital endowment fund with the income from the fund used for lawful purposes. A Town Meeting (TM) vote would be needed to spend the principal. Lastly, fire station proceeds could be applied to the Senior Center. The discussion began with a comment from Member McLaughlin: the taxpayers are already paying a levy limit, which includes the Fire Station debt. However, with the next debt exclusion, the town can reduce the amount needed. Treasurer Carman: After July 1st, we will bond for the Senior Center - the \$615K from the fire station sale can reduce the cost of the Senior Center bonding. "The benefit of using the \$615K is that it reduces our debt service, and we can then reduce the levy limit." Carman also indicated that he is assuming that the \$1M already pledged for the Senior Center will come through. Member Brusch expressed her agreement, and added that it is simple to explain to people that we are taking the Fire Station debt exclusion and reducing the total amount by \$615K. Chair Curtis asked: If the WC supports this option, what does TM have to do? Town Accountant Hagg answered that TM votes to use the proceeds toward the Senior Center through a transfer; the \$615K becomes another source of revenue for the Senior Center. Motion by WC: The WC recommends applying the proceeds of the Harvard Lawn Fire Station sale (\$615K) to be put toward the Senior Center project (effectively bonding for \$615K less). The motion passed unanimously.

Use of Unused Chenery Funds

Chair Curtis turned to Member Brusch to address the issue of the WC's role with regard to the Chenery funds. Member Brusch said that it is within the role of the WC to advise the Chenery Building Committee. Treasurer Carman: This money came from a debt exclusion project, and as such can be used for another debt exclusion project only. Member McLaughlin added that "Since we bonded more money than we used for Chenery, we could apply it to the Senior Center, which is the same principle as the fire station. We'd use the money to reduce the next debt exclusion project, which is the Senior Center." Chair Curtis: The Chenery Building Committee legally controls the funds, what then has to happen step by step, to take money that the taxpayers gave us and use it (the surplus) to pay down the Senior Center debt? Town Accountant Hagg: The Chenery Building Committee releases the money, it goes to TM to re-appropriate the funds using a 'DE1' form. Member Jones added: Using this \$688K against another debt would level out the tax issue. SC Member Gibson asked if this money could be used for the list of needs that remain at the Chenery (some dating back many years)? Carman replied that no, the money has to be used for a debt exclusion project. He added: the Wellington School would be a place to apply these funds, but we can't be sure we're doing that project this year. Several members added that they liked the idea of using the savings from the Chenery on another school project. Chair Curtis proposed the following by way of a WC recommendation: The WC recommends to the Chenery Building Committee that the \$688K of unused bond proceeds be applied to general funds for TM. The WC will then recommend TM to direct this money to reduce the amount of Wellington's debt exclusion. It was pointed out by Member Jones and other WC members that the Wellington is in

the future, and it may not be appropriate to include it in the recommendation until it (Wellington) has been voted on. Member Brusch: The Building Committee won't do anything with this funding without coming back to the WC, to inform them of what they wish to do. Chair Curtis concluded by saying that there is a sense (from the table) to support the Wellington with this money, but since the Wellington is an unknown, we won't do anything tonight. [BOS Member Solomon asked about the \$285K that is assumed to be remaining from the first fire station bonding. Chair Curtis replied that that money would be addressed at a later time.]

Senior Center Building Committee - Update and Discussion

Chair Curtis asked that Member Callanan (as the WC representative on the Senior Center Building Committee) update the WC. Callanan summary: The Building Committee met last week, reviewed the bids that came in, and a recommendation was made that the award be given to Groom Contractor. A vote was taken to approve the Groom recommendation (passed unanimously) and a separate vote was taken to include 5 alternatives. The \$239K contingency is much lower than the usually recommended 10% (it's approximately 4.7%) - which is what was carried in the budget given to the voters and Town Meeting.

Member McLaughlin asked what is the town's history regarding how much of the contingency is usually expended. Member Brusch, speaking as her role as Chair of the Permanent Building Committee, stated that "so far, town projects have exceeded 7%, whether it was new construction or a renovation. In addition, not having a 10% contingency is a real concern as you never know what you'll find - until construction actually starts." BOS Member Solomon said that he is comfortable with this contingency, as this particular architect has had specific positive experience in not having a high contingency. In response to a question about what the building committee could have done, Member Brusch suggested that they could have rejected all bids because they were over the estimate, they could have done what they did and accepted them, or they could have requested a Special Town Meeting to appropriate the needed funds.

Member Allison added that the Building Committee could have not accepted the bid - by accepting the bid there is a 70-80% chance that they will break the contract with voters and the cost will be to taxpayers. She asked: What message does this send to the Building Committees going forward? It is not a good process to accept the bid and then ask the town for additional money. Chair Curtis offered that this is a "done deal", and so it doesn't really matter what the WC might have recommended. Curtis added: It is important though, to look at the process in light of future projects. The Wellington, for example, is a far more expensive project and its impact is going to be far greater. Is it worthwhile, Curtis wondered, to declare to a Building Committee that they shall not authorize a project with less than a 10% contingency? Brusch: the role of a WC person on a Building Committee should be strengthened; this issue could have been brought back to the WC for advice - Building Committees are usually respectful of the WC representative. BOS Member Solomon said that the WC can advise the 10%, but it can't be mandated to them (under the current structure of Building Committees). Curtis replied that maybe the WC should revisit the basic authority of Building Committees. Chair Curtis informed the WC that he is the WC representative to the Wellington School Building Committee, and so has some particular interest given the amount of dollars involved with the Wellington. Member Brusch offered that the Permanent Building Committee is happy to create a forum for discussing the autonomy of building committees including the WC representative's role. There is a lot to consider here, she added, including Member Allison's long stated concern that the operating costs of future buildings be considered prior to approval of the project. Brusch intends to meet with Chair Curtis and BOS Chair Firenze (upon his return) to further discuss this issue.

Minutes of 11/14/07, 11/28/07, and 1/2/08

After corrections were made, the Minutes of 11/14/07 were approved with one abstention.

After corrections were made, the Minutes of 11/28/07 were approved with two abstentions.

After corrections were made, the Minutes of 1/2/08 were approved with one abstention.

Other

Member Bruschi informed the WC that the State's meeting with Belmont (regarding the Wellington School) will be held on Feb. 14th. Dr. Holland, the SC Chair, the BOS Chair, Gerry Missal, and Bruschi will be in attendance. This meeting was originally slated to be open to the members of the community, but the Mass. School Building Authority (MSBA) is not inviting community members after all. Bruschi thanked the parents from throughout Belmont who had contacted her to help the project move forward. Member Heigham moved to adjourn the meeting at 9:16 pm.

Submitted by Lisa Gibalerio
WC Recording Secretary